



# Austin Energy Rate Review Update

Electric Utility Commission  
June 20, 2011





# Agenda

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- ▶ Public Involvement Opportunity
- ▶ Residential Rate Design
- ▶ Schedule of EUC Meetings





# Public Involvement Opportunity & Notice of Meetings

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- ▶ Websites
  - ▶ [www.rates.austinenenergy.com](http://www.rates.austinenenergy.com)
  - ▶ [www.austinenenergy.com](http://www.austinenenergy.com)
- ▶ Newspapers throughout the service area
- ▶ E-mail
- ▶ Public Involvement Committee (PIC)
- ▶ Community Advocacy Group(CAG)
- ▶ Participation at EUC and City Council
- ▶ Twitter
- ▶ Facebook
- ▶ Customer Bill Stuffers
- ▶ Speakers Bureau





# Residential Rate Advisor

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Bob Wittmeyer

- ▶ Served on PIC with Other Residential members:
  - ▶ Mark McDonald-Residential At-Large
  - ▶ Beth Atherton-Low income
  - ▶ Katherine Sokolic-Distributed Generation
  - ▶ Colin Meehan-Energy Efficiency/Environmental
  - ▶ Steve Jones-Outside Austin Communities
- ▶ Attended Community Advocacy Group (CAG) meetings
- ▶ Review AE's Rate Analysis & Recommendations Report
- ▶ Make presentations to the EUC





## Residential Rate Design Strategies Under Consideration

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- ▶ Improve alignment of fixed cost with fixed charges
- ▶ Improve transparency through unbundling while maintaining simplicity
- ▶ Encourage and promote energy efficiency
- ▶ Improve seasonal (summer/winter) rate alignment
- ▶ Provide discount to low-income customers
- ▶ Provide rate alternatives for 100 percent renewables, distributed generation, and new technologies
  - ▶ Pilot new rates for Pecan Street Project





# Structure of a Residential Bill

<b><u>Proposed Structure</u></b>	<b><u>Cost Recovery</u></b>
<b>Customer Charge (\$/month)</b>	<b>Customer Service Costs</b>
<b>Electric Delivery (\$/month)</b>	<b>Distribution System Costs</b>
<b>Energy Charge (¢/kWh)</b>	<b>Actual Power Supply Costs</b>
<b>Fuel Adjustment (¢/kWh)</b>	<b>Fuel Cost Changes</b>
<b>Fuel cost increases/decreases</b>	
<b>Regulatory (¢/kWh)</b>	<b>ERCOT Administration Fees</b>
	<b>Transmission Access Charges (TSAR)</b>
<b>Community Benefit (¢/kWh)</b>	<b>Low-income Programs</b>
	<b>Service Area Street Lighting</b>





# Residential Rate Structure Under Consideration

Residential	Existing Rate	Preliminary Cost of Service	Recommended Rates
Customer Charge (\$/month)	\$6.00	\$18.75	
Electric Delivery (\$/month)	Inc. in Energy	\$14.26	
Base Energy Charge (¢/kWh) – Summer Period (June-September)			
< 500 kWh	6.877 ¢	6.197 ¢	
500 – 1250 kWh	11.147 ¢	6.197 ¢	
1250 - 2000 kWh	11.147 ¢	6.197 ¢	
2000 – 3000 kWh	11.147 ¢	6.197 ¢	
> 3000 kWh	11.147 ¢	6.197 ¢	
Fuel Adjustment (¢/kWh)	Inc. Above	Inc. Above	
Community Benefit (¢/kWh)	n/a	Inc. Above	
Regulatory (¢/kWh)	0.082 ¢	Inc. Above	



\*Fuel charge included in base energy charge



# Customer Options

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- ▶ Offer multiple rate options to customers
  - ▶ GreenChoice®
  - ▶ Net Metering
  - ▶ Time-of-Use Off-Peak Demand
  - ▶ Future Pilot Rates (Pecan Street Project)







# CAP Discount Program Structure

**Goal:** simplify and fairly provide assistance to customers in need

- ▶ Increase number of potential low-income customers served and share cost burden among all customers
- ▶ Funding support from all customer classes
  - ▶ 0.065 ¢/kWh charge for all customers
  - ▶ Recovered through Community Benefit charge
- ▶ Flat Discount
  - ▶ All CAP discount customers get \$25/month
    - ▶ Can serve approximately 26,000 customers
    - ▶ Currently serve 10,000 low-income customers (based on AE funding plus voluntary contributions)





## Subsequent EUC Meetings

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### Preliminary Discussion and Planning:

- ▶ July-Preliminary Commercial & Industrial Rate Design
- ▶ August-Outstanding Issues and Organizational Discussion for EUC's Formal Review

### EUC Rate Review:

- ▶ September 1—special meeting
  - ▶ AE's Rate Analysis & Recommendations Report
- ▶ September 19—regular meeting
- ▶ October 3—special meeting
- ▶ October 17—regular meeting

